## Remarks

Claims 1- 20 are pending, and claims 1- 20 stand rejected. Claims 19 and 20 have been canceled. The Applicants respectfully traverse the rejection and request allowance of claims 1- 18.

The examiner has objected to the abstract. The abstract has been amended.

The examiner rejected claims 19 and 20 under 35 U.S.C 112, first paragraph as containing subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention. Claims 19 and 20 have been canceled.

The examiner rejected claims 19 and 20 under 35 U.S.C 112, second paragraph as being incomplete for omitting essential elements. Claims 19 and 20 have been canceled.

The examiner rejected claim 18 under 35 U.S.C 101 as being directed towards non-statutory subject matter. Claim 18 has been amended. Claim 18 has been clarified to indicate that the postage indicia have been printed on an item to be shipped. When functional descriptive material is recorded on some computer-readable medium it becomes structurally and functionally interrelated to the medium and will be statutory in most cases since use of technology permits the function of the descriptive material to be realized. Compare *In re Lowry*, 32 F.3d 1579, 1583-84, 32 USPQ2d 1031, 1035 (Fed. Cir. 1994). Here, the postage indicia printed on the item can be read by a delivery service, thereby realizing the function of the postage indicia.

The examiner has rejected claims 1 - 5, 7 - 8, 10 - 15, and 17 - 20 under 35 U.S.C 102(e) as anticipated over U.S. Patent number 6,865,558 (Pierce et al.). Claim 1 is reproduced bellow:

## 1. A delivery service, comprising:

a first mail system configured to receive a mail piece addressed to an entity and including postage indicia indicating an initial value, determine a cost for delivering the mail piece to the entity, modify the postage indicia to indicate a remaining value wherein the remaining value indicates the initial value reduced by the cost for delivering the mail piece, and transfer the mail piece; and

a second mail system configured to receive the postage indicia indicating the remaining value, process the postage indicia to determine the remaining value

of the postage indicia, and indicate the remaining value of the postage indicia.

Claim 1 requires "a first mail system configured to ... modify the postage indicia to indicate a remaining value wherein the remaining value indicates the initial value reduced by the cost for delivering the mail piece". Pierce does not have a first mail system that modifies the postage indicia to indicate a remaining value. Pierce only uses the postage indicia to identify the amount charged for shipping the item. Pierce may even use stamps as the postage payment vehicle (Column 6 lines47 – 49). The delivery systems in Pierce cancel the postage indicia once the item has been received for shipment. Pierce uses a separate third party payment indication to notify a payee that a payment has been arranged (Column 5 lines 57 – 64). The third party payment indication in Pierce is not part of the postage indicia (see figure 4a and 4b). Because Pierce does not teach modifying the postage indicia to indicate a remaining value, the requirements for a *prima facie* case of anticipation have not been met and claim 1 is allowable as written.

Claim 1 also requires "a second mail system configured to receive the postage indicia indicating the remaining value, process the postage indicia to determine the remaining value of the postage indicia, and indicate the remaining value of the postage indicia". Pierce can not teach this limitation because Pierce does not have a first system that modifies the postage indicia to indicate a remaining value.

Claims 2 - 10 depend on allowable claim 1 and are therefore allowable.

Claim 11 requires "modifying the postage indicia to indicate a remaining value wherein the remaining value indicates the initial value reduced by the cost for delivering the mail piece". The argument for claim 1 therefore applies to claim 11 and claim 11 is allowable.

Claims 12 - 17 depend on allowable claim 11 and are therefore allowable.

Claim 18 requires postage indicia that have two components where the first component is designated as compensation for a delivery service and the second component is designated for a funds transfer. Pierce uses a separate third party payment indication to notify a payee that a payment has been arranged (Column 5 lines 57 – 64). The third party payment indication in Pierce is not part of the postage indicia (see figure 4a and 4b). Therefore claim 18 is allowable as amended.

Claims 6, 9 and 16 have been rejected under 35 U.S.C. §103(a) as being unpatentable

over U.S. Patent number 6,865,558 (Pierce et al.) in view of U.S. Patent 6,427,139 (Pierce). Because the 558 Pierce is shown hereinabove as not including all of the limitations of claim 1 or of claim 11, the combination of 558 Pierce in view of 139 Pierce does not disclose all the limitations of claim 6, 9 or 16. Accordingly, the Applicant believes that the rejection under 35 U.S.C. 103 has been overcome.

## Conclusion

Based on the above remarks, the Applicants submit that claims 1-18 are allowable. There may be additional reasons in support of patentability, but such reasons are omitted in the interests of brevity. The Applicants respectfully request allowance of claims 1-18.

Respectfully submitted,

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